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UNITED STATES DEPARTMENT OF AGRICULTURE
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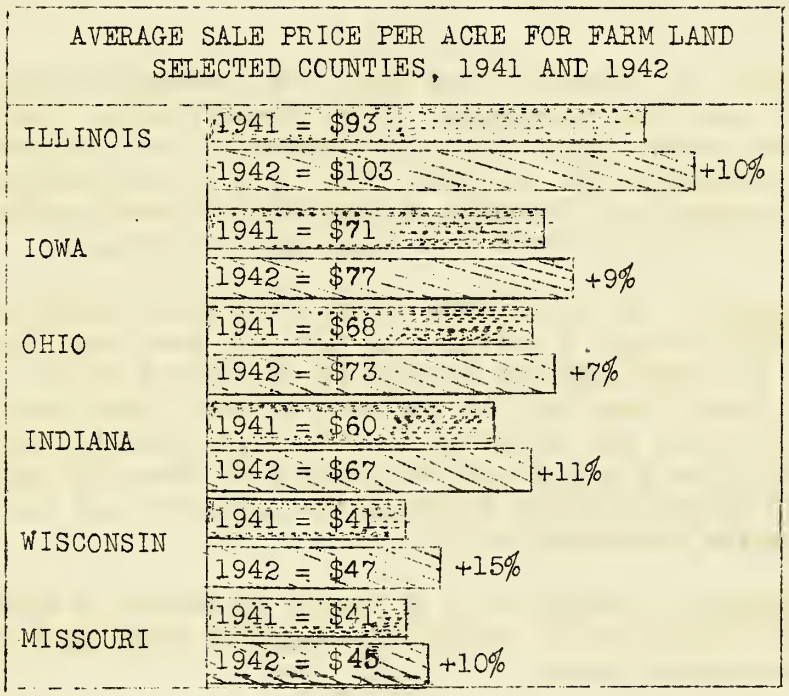
WARTIME LAND MARKET SURVEY IN THE NORTH CENTRAL STATES

Fourth Quarter 1942



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Summary

Prices: Prices of farms sold in 1942 are nine percent above prices of those sold in 1941. Prices of comparable farms have advanced 10 to 15 percent. The average quality of the lands sold in 1942 was below that of farms sold in 1941.

Sellers: Individuals sold 69 percent of the lands changing hands in the fourth quarter of 1942. The proportion of the sales made by corporations has shown a steady decline throughout 1942. The proportion of the total sales made by estates is increasing in importance during 1942.

Buyers: About 59 percent of the farm land purchasers expect to operate the land they purchased. This proportion has remained constant throughout 1942. About 10 percent of the purchasers intending to operate the land had formerly not been farmers. Most of the purchasers not intending to operate land were residents of nearby towns purchasing land as a long-term investment.

Mortgage credit: The proportion of the farm sales partially or fully financed through a mortgage on the land decreased from 63 percent in the first quarter of 1942 to 52 percent in the fourth quarter of 1942. Over half of the new mortgage loans made by persons other than the seller of the land were made by commercial banks. Individuals made about one quarter of these new mortgage loans. The proportion made by insurance companies and federal credit agencies continued to fall.

Buyers' equities: The equities of buyers in mortgaged farm property averaged 35 percent of the sales price and has remained relatively constant throughout 1942.

Shortages: Labor and machinery shortages are keeping many people from buying farm land. Farmers fear they will be unable to get help and equipment to take care of additional land, while city people fear they would have difficulty in getting operators and help if they purchase land.

Outlook for 1943: Land prices will continue to rise in 1943. Farmers will continue to be the most important group of buyers. Fewer farms will be available to purchasers in 1943. Holdings by corporations will practically disappear in 1943. An inflationary situation appears to be developing and may break in 1943.

WARTIME LAND MARKET SURVEY 1/

Fourth Quarter, 1942 2/

A scarcity of farms available to prospective land purchasers has resulted in a decrease in the rate of farm land sales. Demand for farms of medium size and quality remains brisk with owner-operators, tenants, and local investors, all active as purchasers. Local people indicate that the farms currently changing hands are of a somewhat lower quality than for the comparable quarter in 1941. Fewer high quality farms are being offered for sale than a year ago while many of the current land transfers are for the less desirable farm properties which remained in the hands of the unwilling owners. Prices of farm lands sold during the fourth quarter of 1942 averaged only about four percent above those of a year earlier, but local people indicate that prices for comparable farms are probably 10 to 15 percent above those for a year earlier. Although land prices have risen at least 25 percent in the last two years, local speculators have not become active in the market. The current high farm incomes appear to be offset in the minds of the prospective land purchasers by actual and prospective shortages of labor, machinery, equipment, and other supplies. Farm labor shortages and the resulting publicity have discouraged many prospective land purchasers.

Less Land Transfers

Fewer farms appear to have changed hands in Illinois, Iowa and Missouri during the fourth quarter of 1942 than in the corresponding period in 1941, while there was an increase in the number of transfers in Indiana, Ohio, and Wisconsin. 3/ Tracts of farm land sold in the fourth quarter of 1942 were smaller than those sold in the corresponding period of 1941.

The average size of the tracts sold was 121 acres in Illinois, 111 in Iowa, 92 in Indiana, 90 in Missouri, 81 in Ohio, and 101 in Wisconsin. The small size of the tracts transferred in Ohio was at least partially the result of the large number of farm splits which have occurred in the areas near large industrial centers. Many purchasers of small

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1/ Assistance in collecting and tabulating the data for this survey was provided by the departments of agricultural economics in the Agricultural Experiment Stations in the States concerned.

2/ This report is the fourth in a series presenting current information on farm real estate activity in selected counties in the North Central States. The data include only bona fide transfers and were obtained from deed and mortgage records in the county recorders' offices. The information on buyers and sellers was obtained from local people in the various counties and was supplemented by mail questionnaires.

3/ Assuming the normal number of late recordings of land transfers.

Table 1. Number of voluntary sales of farm land. North Central States, by quarters, 1941-1942. (Including all deeds within that quarter regardless of date of recording.)

State and county 1/	1941 Quarter				1942 Quarter			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th
	(Number of transfers)							
Illinois	254	174	181	221	314	150	161	114
Champaign	24	5	20	35	59	18	40	19
Clinton	13	21	22	21	20	12	17	8
Knox	56	36	25	38	81	35	28	21
Logan	27	25	14	17	42	22	14	14
McHenry	71	54	75	77	68	35	42	37
Ogle	63	33	25	33	44	28	20	15
Indiana	228	161	150	159	219	187	124	178
Grant	36	27	28	29	40	43	19	33
Jennings	39	40	26	28	27	31	39	38
Knox	27	20	21	22	43	34	22	34
Noble	41	33	29	34	44	34	14	33
Rush	32	16	24	21	24	14	16	18
Tippecanoe	53	25	22	25	41	31	14	22
Iowa	325	118	154	160	353	111	77	82
Cedar	48	21	18	22	42	15	18	12
Clarke	66	27	22	32	62	21	7	18
Crawford	47	12	24	34	70	19	24	13
Fayette	55	22	41	27	80	17	8	19
Palo Alto	61	24	36	26	72	23	18	6
Story	48	12	13	19	27	16	2	14
Missouri	373	183	194	348	433	155	191	214
Audrain	68	31	41	53	83	40	21	31
Harrison	95	25	25	70	99	33	38	50
Lawrence	66	44	65	78	53	42	62	65
Nodaway	86	52	36	60	161	24	51	26
Pemiscot	58	31	27	87	37	16	19	42
Ohio	272	214	231	228	286	238	177	228
Darke	70	54	58	66	73	64	62	55
Medina	40	65	57	61	48	61	43	53
Madison	28	13	21	20	25	20	17	20
Muskingum	40	35	37	34	29	45	20	29
Putnam	36	18	25	25	45	19	13	33
Seneca	58	29	33	22	66	29	22	38
Wisconsin	113	78	67	115	167	84	78	111
Barron	45	41	33	57	81	41	51	50
Jefferson	44	25	26	33	54	32	19	33
Lafayette	24	12	8	25	32	11	8	28
Regional Sample	1565	928	977	1231	1772	925	808	927

1/ State and regional data are for sample counties only.

unimproved tracts expect to build a home on the land after the war. Some of these people expect to retire on these small farms while others will continue as industrial workers or become part-time farmers. Throughout the region and especially in those sample counties near towns, many local people have purchased farms in order to obtain the house as a residence. They live on the farm purchased but usually rent out the farm land to some nearby farmer.

Land for sale: Much of the decrease in activity in the land market can be traced to the decreased number of farms listed for sale. As the farms owned by the corporations, estates, and other unwilling owners have been sold, there have been fewer and fewer farms currently listed for sale. There has been a decrease in sales by corporations and an increase in sales by estates.

Percent of tracts of farm land sold by class of sellers
sample counties, North Central States, 1942

Quarter 1942	Owner-operator	Non-farmer	Unclassified individuals	Estates	Corporation & government
		(Percentages)			
1st	18	33	12	13	24
2nd	20	38	12	18	22
3rd	22	31	11	19	17
4th	23	33	13	20	11

From the trend in 1942 it appears that sales by estates and owner-operators are becoming an increasingly important proportion of the total land sellers. This is due largely to the exhaustion of land-holdings by unwilling owners.

Sales by owner-operators, although increasing in proportion, have seldom been a direct result of the war. Only three percent of the operators selling their land gave as their reason their joining the Nation's armed forces. About 10 percent of these owner-operators left the farms to take jobs in other civilian occupations while 43 percent continued farming and 44 percent retired from farming.

The majority of the non-farmers selling land reported that they had acquired the land on debts and were liquidating their investment or were selling because they were unable to give the farm the necessary management to make their investment profitable. A few of these non-farmers were selling to take advantage of the current high prices to profit on long-time investments while others were selling one tract of land in order to buy other land. Many of the non-farmers now selling land had acquired it through inheritance and had little interest in land as a permanent investment.

Table 2. Trend in price per acre of farm land sales recorded in sample counties, North Central States, 1941-1942.

State and county 1/	1941 Quarter 1st	2nd	3rd	4th	1942 Quarter 1st	2nd	3rd	4th	Percent change 2/
	(Dollars per acre)								
Illinois	90	97	89	98	99	106	102	108	10
Champaign	121	118	135	141	153	136	136	137	- 3
Clinton	48	59	58	47	49	54	52	50	6
Knox	76	93	71	113	80	93	90	77	-32
Logan	116	124	134	135	129	142	159	172	27
McHenry	95	109	81	85	83	113	93	110	29
Ogle	83	82	55	68	98	98	79	100	47
Indiana	59	60	61	60	67	64	68	68	13
Grant	72	86	97	90	86	78	98	87	- 3
Jennings	24	21	18	14	18	20	21	21	50
Knox	47	46	41	60	53	60	57	56	- 7
Noble	51	58	45	47	51	54	46	57	21
Rush	90	80	90	83	100	102	101	110	33
Tippecanoe	70	69	74	68	87	67	82	77	13
Iowa	68	67	72	81	79	73	77	73	-10
Cedar	88	77	79	109	96	97	117	98	-10
Clarke	28	31	24	38	34	34	14	44	16
Crawford	58	59	60	56	60	54	58	60	7
Fayette	57	54	59	65	65	52	68	48	-26
Palo Alto	76	76	88	96	93	73	85	71	-26
Story	99	103	119	122	123	128	3/	118	- 3
Missouri	36	42	41	45	43	43	49	46	2
Audrain	24	25	25	26	28	26	31	28	8
Harrison	26	24	26	29	31	32	31	30	3
Lawrence	24	26	27	29	22	26	28	24	-17
Nodaway	45	57	47	54	48	49	53	44	- 9
Pemiscot	63	78	81	86	84	83	102	101	17
Ohio	66	68	69	69	76	72	72	72	4
Darke	84	77	83	93	81	87	84	94	1
Medina	62	73	73	80	83	77	77	89	11
Madison	92	75	80	74	86	78	90	77	4
Muskingum	28	31	23	29	35	29	30	32	10
Putnam	73	89	91	81	100	87	87	74	- 9
Seneca	57	60	67	59	71	71	64	65	10
Wisconsin	45	35	43	41	47	45	50	47	15
Barron	21	22	23	21	22	29	24	33	57
Jefferson	71	51	57	63	66	68	66	66	5
Lafayette	44	33	50	40	54	39	60	41	3
Regional sample	63	65	65	69	71	70	72	72	4

1/ State and regional figures are simple averages for sample counties.
2/ Percentage change, fourth quarter of 1942 over fourth quarter of 1941.
3/ Insufficient sample.

Land purchases: Throughout 1942 there has been a continued decrease in the number of farms purchased by non-residents which has been offset by increased purchases by local town people. There has been little change in the proportion of the farm purchases made by owner-operators and tenants intending to operate the land which they purchase.

Percentage of tracts of farm land purchased by class of buyers selected counties, North Central States, 1942

Quarter 1942	Owner-operator	Tenants and other farmers	Non-farmers: Residents 1/	Non-farmers: Non-residents
	(Percentages)			
1st	30	28	31	8
2nd	32	28	31	9
3rd	44	29	24	6
4th	35	24	36	5

1/ Living within the sample county or the adjoining counties.

High farm incomes and lack of other profitable investment opportunities have influenced many local town people to invest in farm land. Labor and machinery shortages have probably been the major factor limiting purchases by non-resident purchasers. Speculators do not appear to be numerous enough to be important in any part of the area.

The proportion of the farm purchases being made by farmers not intending to operate them is increasing. About eight percent of this type or purchases by owner-operators and tenants was primarily a means of investing excess funds accumulated out of earnings. Some farmers are purchasing land for use by sons now at home or for future use by sons now in the army.

Farm Land Prices Higher

Farm land prices are continuing to advance. Local people report that comparable farms in most areas are now selling for at least 10 to 15 percent above the price they would have brought a year ago. Average sales prices have advanced less rapidly than sales prices on comparable farms, due to a decrease in the quality of the lands now changing hands as compared to a year ago. Prices for all land reported as sold during the last quarter of 1942 were four percent above the prices of land sold during the same period in 1941. An average for all sales during 1941 and 1942 indicates sales prices to have advanced about nine percent in the region, these advances ranging from seven percent for Ohio to 15 percent for Wisconsin.

Table 3. Number of tracts of farm land sold by various classes of sellers, North Central States, fourth quarter, 1942.

State and county 1/	Total	Owner operators	Non-farmers	Unclassified individuals	Estates	Corporations and Government
			(Number)			
Illinois	120	27	43	9	28	13
Champaign	19	7	11	0	1	0
Clinton	14	4	4	1	4	1
Knox	20	7	7	0	5	1
Logan	15	0	4	0	10	1
McHenry	37	7	14	6	6	4
Ogle	15	2	3	2	2	6
Indiana	178	53	36	31	33	25
Grant	33	3	8	10	10	2
Jennings	38	13	10	3	10	2
Knox	34	14	5	5	2	8
Noble	33	8	3	8	7	7
Rush	18	9	8	0	1	0
Tippecanoe	22	6	2	5	3	6
Iowa	76	15	31	0	17	13
Cedar	12	1	7	0	4	0
Clarke	18	3	2	0	4	9
Crawford	12	1	7	0	2	2
Fayette	14	5	5	0	4	0
Palo Alto	6	0	3	0	1	2
Story	14	5	7	0	2	0
Missouri	214	37	84	24	38	31
Audrain	31	7	12	0	6	6
Harrison	50	5	15	4	10	16
Lawrence	65	6	36	13	6	4
Nodaway	26	5	8	3	8	2
Peniscot	42	14	13	4	8	3
Ohio	228	46	76	58	40	8
Darke	55	9	24	12	10	0
Medina	53	11	11	23	8	0
Madison	20	2	5	6	5	2
Muskingum	29	5	14	4	5	1
Putnam	33	10	12	4	4	3
Seneca	38	9	10	9	8	2
Wisconsin	111	33	38	1	23	16
Barron	50	19	11	1	8	11
Jefferson	33	11	13	0	6	3
Lafayette	28	3	14	0	9	2
Regional sample	927	211	308	123	179	106

1/ State and regional data are for sample counties only.

Average price per acre of lands sold in selected counties
North Central States, 1941-1942

State	Total sales 1941	Average sales price 1941	Total sales 1942	Average sales price 1942	Percentage increase 1942 over 1941
	Number	Dollars	Number	Dollars	Percent
Illinois	830	93	739	102	10
Indiana	698	60	708	67	11
Iowa	757	71	623	77	9
Missouri	1098	41	993	45	10
Ohio	945	68	929	73	7
Wisconsin	373	41	440	47	15
Region	4701	65	4432	71	9

Farm land prices advanced steadily throughout 1942 but at a much less rapid rate than took place during the last three months of 1941. High farm produce prices, the outbreak of war, and extra good yields resulted in high farm income and an exceptional interest in land by prospective purchasers. Landholders as a result increased asking and selling prices.

Abundance of Credit Available

Banks, loan companies, insurance companies, and individuals are all competing for farm loans. There is keen competition between banks, and in some places from individuals to make mortgage loans on farm land. Local banks, production credit associations, loan companies, and individuals are likewise competing for short-time loans to farmers needing funds to purchase livestock, feed, equipment, or improvements. Farmers with good credit ratings or with sufficient chattels find no difficulty in obtaining production loans.

Short-term credit: Both the local farmer representatives and the local bank and loan agency representatives agreed that farmers could obtain adequate funds for most any type of self-liquidating farm operation or for purchase of needed livestock and equipment. The representatives of the local lending agencies indicated that there was keen competition between the banks, production credit associations, loan companies, farmers with excess funds, and other individuals to make these types of loans. Rates vary with the size of the loan and the risk involved but generally are for from four to six percent and for periods of one year or less.

Table 4. Number of tracts of farm land purchased by various classes of buyers, North Central States, fourth quarter, 1942.

State and county 1/	Total	Owner operators	Tenants and other farmers	Non-farmers		Unclassified individuals
				Resident	Non-resident	
			(Number)			
Illinois	120	24	18	62	5	11
Champaign	19	7	2	7	0	3
Clinton	14	1	5	4	2	2
Knox	20	7	4	9	0	0
Logan	15	2	4	9	0	0
McHenry	37	5	2	22	2	6
Ogle	15	2	1	11	1	0
Indiana	166	63	45	34	11	13
Grant	28	8	10	10	0	0
Jennings	38	18	6	5	6	3
Knox	34	12	6	5	1	10
Noble	28	12	11	4	1	0
Rush	18	9	4	3	2	0
Tippecanoe	20	4	8	7	1	0
Iowa	74	25	24	21	3	1
Cedar	12	2	4	5	1	0
Clarke	17	2	11	4	0	1
Crawford	12	5	4	2	1	0
Fayette	14	8	2	4	0	0
Palo Alto	6	2	2	1	1	0
Story	12	6	1	5	0	0
Missouri	214	68	43	53	11	39
Audrain	31	7	8	12	2	2
Harrison	50	13	17	11	2	7
Lawrence	65	17	5	9	4	30
Nodaway	26	9	6	10	1	0
Pemiscot	42	22	7	11	2	0
Ohio	228	49	27	56	7	89
Darke	55	9	11	13	3	19
Medina	20	5	1	3	0	11
Muskingum	29	6	6	9	1	7
Madison	53	6	1	12	0	34
Putnam	33	13	1	8	3	8
Seneca	38	10	7	11	0	10
Wisconsin	111	45	35	23	5	3
Barron	50	30	13	3	1	3
Jefferson	33	10	9	10	4	0
Lafayette	28	5	13	10	0	0
Regional sample	913	274	192	249	42	156

1/ State and regional data are for sample counties only.

Farm mortgage credit: The proportion of the farm purchases which were partially or fully financed with funds borrowed on a mortgage against the land purchased decreased from 65 percent of the transfers for the first half of 1942 to 52 percent during the last half of 1942. This decrease in the use of mortgages to finance farm land purchases probably results from an increase in income and accumulated funds of both farmer and non-farmer land purchasers.

Proportion of the farms changing hands which were mortgaged and equity of buyers in mortgaged farms, North Central States, 1942

Quarter 1942	Percentage of farms mortgaged	Percentage equity of buyers in mortgaged property
	Percent	Percent
1st	63	35
2nd	68	35
3rd	52	36
4th	52	35

Equities of purchasers in the properties they mortgaged remained constant throughout the year, indicating little change in the proportion of the sales price which lending agencies will loan but indicating a slight increase in the amount they would loan per acre on the same type of land.

The proportion of transfers on which the mortgage credit was furnished by the seller dropped from 33 percent of the farm mortgages during the first half of 1942 to 12 percent in the fourth quarter of 1942. New mortgage loans not made by the seller now come primarily from local banks.

Type of lending agencies other than seller making new mortgage loans selected counties, North Central States, 1942

1942	Individuals	Federal credit agencies	Insurance companies	Commercial banks	FSA & other
1st half	19	9	15	44	13
3rd quarter	22	7	4	59	8
4th quarter	25	7	11	50	7

Both commercial banks and individuals have increased the proportion of the new mortgage loans which they now make. So long as these groups have surplus funds, they can be expected to continue as

Table 5. Number of farms transferred by type of financing and buyer's equity in mortgaged property. North Central States, fourth quarter, 1942.

State and county 1/	Total Transfers	Cash Sales	Cash and Mortgage: Purchase Money Mtgs.	Cash and Mortgage: Other New Mtgs.	Cash and Mortgage: Assumed Mtgs.	Cash and Mortgage: Two or more Mtgs.	Purchase Contracts	Buyers Equity in Mortgage Property (Percentage)
			(Number of transfers)					
Illinois	126	76	10	29	7	2	2	29.8%
Champaign	19	12	2	5	0	0	0	53.6
Clinton	14	13	0	1	0	0	0	0.0
Knox	25	13	2	5	2	1	2	16.4
Logan	15	14	1	0	0	0	0	25.0
McHenry	37	18	2	14	3	0	0	46.3
Ogle	16	6	3	4	2	1	0	37.5
Indiana	173	66	19	45	27	13	3	38.3
Grant	33	13	1	11	5	3	0	41.3
Jennings	38	17	4	10	6	1	0	34.9
Knox	33	14	6	8	4	1	0	35.2
Noble	29	11	2	7	4	3	2	34.8
Rush	18	3	3	6	5	1	0	43.9
Tippecanoe	22	8	3	3	3	4	1	40.0
Iowa	76	25	10	17	14	5	5	34.3
Cedar	12	7	0	3	2	0	0	33.3
Clarke	18	3	5	5	1	1	3	30.5
Crawford	12	5	2	1	4	0	0	34.1
Fayette	14	7	1	3	3	0	0	35.9
Palo Alto	6	0	1	1	1	2	1	32.0
Story	14	3	1	4	3	2	1	40.1
Missouri	214	95	41	50	26	2	0	36.3
Audrain	31	14	7	7	2	1	0	26.2
Harrison	50	19	12	14	5	0	0	32.4
Lawrence	65	33	8	16	7	1	0	41.3
Nodaway	26	12	5	6	3	0	0	31.1
Pemiscot	42	17	9	7	9	0	0	50.6
Ohio	229	115	25	63	17	9	0	37.8
Darke	55	28	3	19	3	2	0	36.6
Medina	53	28	13	11	0	1	0	45.1
Madison	20	7	3	8	2	0	0	52.5
Muskingum	29	15	2	7	3	2	0	29.2
Putnam	34	19	3	4	7	1	0	37.7
Seneca	38	18	1	14	2	3	0	26.0
Wisconsin	126	63	11	29	11	2	5	28.3
Barron	65	42	5	12	5	1	0	23.6
Jefferson	33	9	4	12	5	1	2	38.0
Lafayette	28	17	2	5	1	0	3	23.3
Reg. sample	944	445	116	233	102	33	15	34.7

1/ State and regional figures are simple averages for sample counties.

important farm lenders. There is some danger that buyers may later find it difficult to refinance the short-term mortgages which they are now obtaining from commercial banks and individuals. Few of these mortgages are for over five years while many are for only one or three-year terms. Land purchasers are attracted to banks and individuals to obtain funds by the ease of securing loans from these sources. Local banks and individuals seldom require appraisals; they provide the money immediately; they require no stock purchases, and offer equally as attractive interest rates as insurance companies and federal credit agencies.

Labor Situation Limits Farm Purchasing

Local people report that the farm labor situation has kept many prospective land purchasers from consummating their pending negotiations for farms. Many prospective investors in farm land have been discouraged from purchasing land by the newspaper reports about farm labor shortages. This publicity has been especially effective in discouraging those city investors who own no farm land at present and those who are not well acquainted with farming or with the local situation in the area where they contemplate purchasing a farm. The fact that the large highly improved farms near cities are the type of farm most often desired by the city investor and are likewise the type of farm most severely affected by the present labor shortages emphasizes the seriousness of the situation in the minds of these prospective investors and often discourages them from purchasing land at this time.

Many local farmers who have equipment available and suitable for handling more land fear that the labor they would need to hire if they expanded their operations will not be available. As a result, many tenants have been discouraged from buying land and many owners have been discouraged from adding to their farms. Farmers are increasing currently the size of their operations more often by renting additional acreage than by purchasing land, thus enabling them to easily reduce the size of their operations if labor becomes more scarce or if for some other reason they are unable to handle the additional acreage. Farmers find much less risk is involved in adjusting the size of their operations by renting land than by purchasing land. During this period of uncertainty, some tenants prefer to remain as renters with the ability to shift to farms fitting their available supply of labor and machinery.

Although the farm labor shortage is receiving increasingly large amounts of publicity, the situation in many ways has improved. During the last three months of 1942 the Selective Service System has changed its policy, and many single men on the farms are being deferred. The standards or requirements for deferment have been cut to such a level that most of the farm operators, their sons,

Table 6. Types of lending agencies other than seller making new mortgage loans, North Central States, fourth quarter, 1942.

State and county 1/	Total	Individuals	Federal Credit Agencies	Insurance Companies	Commercial Banks	FSA & other
			(Number)			
Illinois	30	8	6	7	5	4
Champaign	5	1	1	0	0	3
Clinton	1	1	0	0	0	0
Knox	6	0	0	0	5	1
Logan	0	0	0	0	0	0
McHenry	14	6	3	5	0	0
Ogle	4	0	2	2	0	0
Indiana	51	9	4	9	25	4
Grant	13	0	0	6	6	1
Jennings	9	1	0	0	7	1
Knox	8	4	0	0	3	1
Noble	9	2	2	0	4	1
Rush	6	0	2	2	2	0
Tippecanoe	6	2	0	1	3	0
Iowa	17	3	3	3	6	2
Cedar	3	1	0	2	0	0
Clarke	4	0	1	0	2	1
Crawford	1	0	0	0	1	0
Fayette	2	2	0	0	0	0
Palo Alto	2	0	1	0	1	0
Story	5	0	1	1	2	1
Missouri	46	13	2	3	25	3
Audrain	7	2	1	0	4	0
Harrison	14	3	0	0	10	1
Lawrence	12	4	1	0	5	2
Nodaway	6	2	0	2	2	0
Peniscot	7	2	0	1	4	0
Ohio	69	12	1	3	51	2
Darke	21	4	0	0	17	0
Medina	8	2	0	2	4	0
Madison	12	2	0	0	10	0
Muskingum	9	0	1	0	8	0
Putnam	4	0	0	0	4	0
Seneca	15	4	0	1	8	2
Wisconsin	30	16	1	1	11	1
Barron	13	6	1	0	6	0
Jefferson	12	7	0	0	5	0
Lafayette	5	3	0	1	0	1
Regional sample	243	61	17	26	123	16

1/ State and regional data are for sample counties only.

and farm laborers on commercial farms are eligible for draft exemption. 4/ Farm operators and helpers producing eight or more war units per man are eligible for II-C or III-C (essential agricultural workers) draft classifications. Under present regulations this leaves as ineligible for draft deferment only those farm laborers and operators who produce less than eight war units per man.

No present shortage of farm operators for 1943: Local people do not expect any farms or crop land to be without operators for 1943 in any of the counties surveyed. In some cases, especially in the industrial areas of Ohio, some farms are expected to be operated less intensively in 1943 than in 1942. On many of these farms the operator will be working part or full time off the farm or he has been unable to obtain his normal labor needs to maintain his previous intensity of operation.

However, it is likely that many farms will be operated with increased intensity in 1943. Many operators have added to the size of their operations, but the majority of these operators have manpower and equipment available to operate this additional acreage without decreasing their intensity of operations. To meet 1943 production goals it will be necessary for all farmers to intensify their operations. The changes in the A.A.A. program removing corn acreage restrictions plus the demand for special war crops will encourage most farmers to intensify their farm operations. In order to save labor many farmers are increasing their primary type of livestock production and cutting their less important types of livestock production.

In a number of counties prospective tenants are reported to be still looking for farms to rent for 1943, indicating that there is still a surplus of operators in some areas. Many farmers are adjusting the size of their 1943 operations to their labor and equipment available by field renting. Men with surplus or extra labor and equipment are renting part of the land of men unable to care properly for all of their farms. Hiring of neighbors to do work is also expected to help farmers short of labor and equipment to meet their 1943 farm problems.

Hired men are scarce: Local farm leaders, employment service representatives indicated that there was a greater than normal demand for fulltime hired men and that in most areas it would be impossible to furnish men to everyone requesting such help. Numerous cases were reported where fulltime hired men were wanted but could not be obtained because the farm operator had no suitable house available for a married man. Very few single men are available and most of those available are over 45 or under 18 years of age.

The average farm wage rates reported for 1943 for fulltime men ranged from $50 to $85 per month for married men where a house and

4/ Amendment to Local Board Release No. 164, National Selective Service System.

other perquisites were furnished. 5/ Rates appeared to be from $10 to $20 per month higher in the livestock and dairy areas than in the grain farming areas in the region. The farmers able to furnish good houses with electric lights and other desirable living conditions were usually able to get hired help while farmers without houses or with only poor housing are experiencing difficulty. Nearly all of the people contacted felt that day labor would be very short in 1943 but many felt that farmers could help each other to a greater extent.

Efforts to recruit workers in areas of underemployment and place them in areas short of farm labor may help to alleviate the farm labor shortages in many areas. In several States in the region, the Farm Security Administration has undertaken to train men as farm laborers and move them to areas where they are needed and is aiding in placing these workers. Short courses in agricultural practices are being given by the State Colleges and Universities to both single boys and married men to fit them for farm work in the areas where men are needed. The costs of this training and part of the moving costs are being paid by the Farm Security Administration.

Some of the people in the areas needing farm help object to having outsiders brought in on the grounds that they want their own farm people deferred, the outsiders may stay after the war and become a problem (unneeded after the local farm boys return from the Army), and the outsiders are insufficiently skilled in the use of machinery and in livestock practices and are not willing to work as hard as the local people.

The future situation concerning labor on the farm will depend on the national manpower policy. At present, the draft boards interviewed were deferring from 80 to 95 percent of the farm boys and farm laborers in their districts and this appears to be a general policy. Fewer farm workers are leaving the farm for industry and a number of farm workers are being imported into the labor-deficient areas. Farmers are planning to make more use of school boys and urban labor to fill seasonal needs

Outlook for 1943

Farm land prices will probably rise at least 10 to 15 percent in 1943 unless effective government action is taken to hold down land prices. The current high agricultural incomes will result in a high demand for farm land from both farmers and non-farmers. There is a danger that the supply of farms for sale will be insufficient

5/ Hired men usually received some milk, meat, and fuel, as well as space for garden and/or chickens.

to meet the real demand and that farmers and investors will bid against each other and among themselves in order to buy land.

Demand for land: Farmers and local non-farmers will continue to furnish the basic demand for farm land in 1943. City investors will continue to be important buyers in some areas near cities and in extra good farming sections, but their importance in the region as a whole will not be great if wholesale and retail commodity price controls are continued with their present rate of effectiveness. Speculators will not be important in the early part of 1943 but may increase in numbers if the rate of land price advance should increase.

Farmers will have the same influence in the land market as land speculators when they purchase land for resale or sell one farm with the hope of finding another farm more suitable to their needs, or by buying an equally good farm for less money. Purchases for operating units or additions to operating units will be the most numerous types of farmer purchases but more and more farmers will have surplus funds which they will want to invest in land. The lack of available production and consumption goods will increase savings and further encourage farmers to purchase land.

Local town people are likely to be increasingly active as purchasers in the land market and will continue to be a major class of land buyers in 1943. Many of these people already own land and wish to invest their current surplus of earnings from their work and farms by buying more land.

Local people usually buy average sized farms rather than the large over-improved farms generally sought by the city investors. The city investors will continue to demand some farms for investment, but they will continue to demand large farms with extra good land and improvements, especially now that it is impossible to build new buildings. The number of their purchases made as a hedge against inflation will depend on the effectiveness of inflation controls and on the trend of incomes from other investments and prices of industrial stocks. The actions of the New York stock exchange will have an important influence on investments in farm land by city people. A rise in stock prices will tend to relieve the pressure on farm land as a place for investing money.

Speculators will be important in the 1943 land market if land prices increase their rate of advance and general inflation appears imminent. Any effective government action to control the price of land will practically eliminate purchases by speculators.

An increased demand for farms will be felt in some areas where war plant workers are actively purchasing farms in order to obtain a house in which to live. The high cost of houses and rent plus a scarcity of houses in some areas creates considerable demand for

acreages and small farms with improvements within driving distance of industrial plants. War plant workers will continue the practice of living in the houses on the land they purchase and when possible to rent out the land.

Supply of land: Fewer farms will be listed for sale in 1943 than in any of the last 10 years. Farm landholdings of the insurance companies and the land banks are nearly exhausted and in most parts of the Corn Belt will disappear in 1943. The number of farms held by estates and individuals desiring to liquidate their landholdings are at the lowest levels for many years and will be rapidly depleted. The rate of acquisition of land by unwilling owners through debt settlement will be exceedingly low. Formation of estates will be at a much lower rate than the current liquidation of estates.

Farmers who retire will probably be less inclined to sell their farms than formerly since no other investment will return a comparable income on the investment. Owner-operators will seldom be interested in selling their farms except to acquire other farm land. Landlords holding land as an investment will more often desire to buy rather than sell farm land.

Labor situation: Present draft policies are very liberal but may have to be revised. Increasing numbers of farm workers and operators will need to be drafted into the armed forces if we are to build up our armed forces to over 11,000,000 men. If this happens, it will tend to reduce the demand for farm land and to hold down the price of farm land in 1943. Consolidation of farms and elimination of all but the most essential farm work will then be necessary.

Farm equipment and machinery: The increased allocations of steel for farm machinery (from about 20 to 40 percent of the 1940-1941 production) were made too late to provide additional planting and cultivating machinery but should partially relieve the shortage of harvesting machinery. There will not be enough new farm machinery available materially to replace labor in 1943 and ration boards will require proof of extreme need before machinery will be provided. Shortages of fence, lumber, and other supplies are likely to continue to be serious in 1943 and may limit demand for land.

Farm land prices: Prices of farm land can be expected to continue to rise in 1943 to at least 10 to 15 percent above 1942 levels. The rate of advance will depend on the supply and demand for land as affected by the labor, price controls, and machinery situations plus the effectiveness of tax rates, bond sales, and enforced savings in draining off surplus purchasing power. The outlook for 1943 crop yields may also influence the rate of land price advance in 1943. Unless effective government controls to limit the inflationary tendencies are adopted immediately, the future rate of increase in land values will exceed the current average by about one percent per month.

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